

The Honolulu Advertiser

Today is Saturday
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Michael Levine
Just too stunned

Tearful earful at Rewald trial

By Walter Wright
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It was a four-ring circus at the Ronald Rewald trial yesterday:

- Rewald's lawyers broke down and cried after another rebuke from the judge and asked to quit.

- The CIA said Rewald never spied on students for the agency, as Rewald claims.

- A three-star general said Rewald took him for \$143,000.

- A woman named Emerald Shane Diamond said Rewald paid her \$500 each time she had sex with him and an extra \$500 once when she had a flat tire on the way to see him.

Federal Judge Harold Fong refused to relieve Rewald's court-appointed lawyers of their duties, but gave them the afternoon and weekend off to regain their composure.

Deputy Public Defender

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Brian Tamanaha, who sat weeping in his chair at the defense table after Fong privately accused him of showing contempt for the court, dried his eyes and said he was going surfing to relax and sort out his thoughts about continuing in the case.

Tamanaha's boss, Federal Public Defender Michael Levine, said he still will ask Fong to remove himself from the case on Wednesday, to declare a mistrial and to find other lawyers for Rewald.

Rewald, charged with 98 counts of fraud, perjury and tax evasion in connection with the collapse of his investment firm, Bishop Baldwin Rewald Dillingham & Wong, admits he took investors' money under false pretenses, but said it was to maintain his CIA cover as a wealthy businessman. He said the CIA promised to reimburse him.

Yesterday's courtroom uproar started during a conference between lawyers at the bench, held in private because it dealt with classified information. According to Levine, Tamanaha turned away from the judge after he thought Fong was finished ruling against him over a document.

The judge, Levine said, apparently felt Tamanaha was showing disrespect, called him back and rebuked him.

Tamanaha broke down as he walked back to the counsel table, telling Levine he didn't think he could continue in the case, Levine said.

Levine said he himself was too stunned to ask for a recess, and sat next to Tamanaha, listening to him sob, while the prosecution examined a key CIA witness.

At the noon break, a choked-up Levine asked for a mistrial and suggested that he was probably through as public defender, too, because of the judge's "anger" at him and his staff.

Levine said he hadn't been able to sleep the night before because of Fong's order on Thursday that he and Tamanaha be prepared to explain after the trial why they shouldn't be held in contempt. Fong had ordered the posttrial hearing because of Levine's use of a court subpoena to obtain a CIA official's signature after the court refused his request for the signature during trial.

Tamanaha also faces another order to show cause why he shouldn't be fined personally for filing what the court considers some frivolous motions in the case.

After lunch, Fong praised the defense attorneys for their professionalism and fervor in Rewald's defense, but said he would tolerate no disrespect for the court. He said hearing of the contempt matters would be by another judge.

Fong denied that he was angry at any parties. And Fong suggested to Tamanaha, a 27-year-old Boston University Law School graduate who is handling his first trial, that he not become personally involved in the give-and-take in the courtroom.

Tamanaha has impressed several courtroom observers with his handling of complex classified information procedures and his attack on the government's CIA witnesses.

One of those CIA witnesses testified yesterday that there is no CIA record of Rewald ever infiltrating student groups in Wisconsin for the intelligence agency, as Rewald has claimed.

Mitchell P. Lawrence Jr., a deputy director in the CIA's office of security, said the first CIA security check on Rewald was run in July 1978. There was no previous record of Rewald in any CIA files, Lawrence said. Even if such a record had been destroyed in the normal course of CIA business, there would still be a reference to it in CIA computers, he said.

Rewald has claimed that he worked in something he believed was called Operation Chaos for the CIA in the early 1960s and that his Chicago CIA contact later recommended he get in touch with the CIA here when he moved to Hawaii in 1977.

According to a 1975 congressional report, the CIA set up Operation Chaos in 1967 in an effort to determine if U.S. dissident groups were financed or controlled from abroad.

If Rewald had been associated with such a project, or paid \$120 a week for it as he has claimed, CIA records would reflect his involvement, Lawrence said yesterday.

The 1978 request for a name check on Rewald was initiated by Honolulu field office chiefs Eugene Welch and John Kindschi after Rewald walked into the Honolulu office and volunteered his services, according to Welch. The CIA later used Rewald to set up a telephone, telex and stationery to "backstop" several CIA personnel.

In earlier testimony yesterday, retired Air Force Lt. Gen. Arnold Braswell, commander in chief of the Pacific Air Forces at Hickam Air Force Base from 1981 to 1983, said he met Rewald when a friend suggested Rewald could handle the affairs of another retired Air Force general, Hunter Harris, who had a severe drinking problem.

Braswell said he was impressed by Rewald as a "very generous and compassionate" man and also as an apparently shrewd businessman surrounded by beautiful possessions, fancy cars and bodyguards.

Over time, Braswell said, he invested with Rewald, in return for promises of up to 100 percent interest in special deals, and also encouraged his daughter, son and other relatives to invest.

He said he never discussed classified information with Rewald, but did invite him to one unclassified briefing for prominent local citizens on the command's influence in the Pacific and Hawaii. Rewald didn't show up, Braswell recalled.

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Another witness, Emerald Shane Diamond, who described herself as an artist and writer of children's books, said she met Rewald at a Christmas Eve party in 1982, and within a week was offered \$500 an hour by Rewald to "be with him." There would be weekly meetings "if it could fit into his schedule," she said.

The Monday after Christmas 1982, she said, she met Rewald at his Harbor Square apartment, where she had sex with him in return for a check for \$300 and the promise of the \$200 balance later.

On Jan. 11, 1983, she met him again at the apartment at his request and had sex with him in return for a check for \$500.

When they next met for sex, on March 10, 1983, she complained that she had had a flat tire on the way to see him, she said. He wrote her a check for \$1,000, she said, the extra money to compensate her for the flat tire.

When they left the apartment that day, Diamond said, Rewald told her he wouldn't be seeing her any more.

After a row with one of Rewald's security guards during a Sunday polo match (Diamond said the guard accused her of "soliciting" another guest at the match), Diamond wrote Rewald a letter threatening to reveal photocopies of the checks he had given her.

She said in the letter that Rewald "made promises you never fulfilled."

The letter went on: "Your arrogance is beyond me. You being a millionaire of the dollar — you think you can buy anything.

"I was always loyal, appreciative, complimentary, honest and willing to except (sic) the challenge of pleasing you physically."

She said Rewald called her after getting the letter and "we became friends."

She denied she was trying to get more money from him.